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Determinants of inside and outside lobbying strategies among Swiss and German interest groups[1]

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Abstract

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Introduction

Political interest groups, as a distinctive type of political organizations, can choose from a wide repertoire of strategies to reach their organizational goals. As the interest group universe itself is by nature very heterogeneous and diverse, a variety of different "organisational animals" (Jordan, Beyers, & Maloney, 2004, p. 196) is subsumed under the term "interest group", each with its history, position in the political systems and resources. These are, however, only a few of the organizational characteristics which are important in the assessment of different strategies. It is important to note "that all groups are not the same and that underlying their policy function is a heterogeneous array of organisational and representative functions" (Jordan et al., 2004, p. 206). Different groups employ different strategies (Binderkrantz, 2008). The "tactic selection is better understood by dividing it into its two distinct components: inside lobbying and outside lobbying" (Mahoney, 2008, p. 34). These two forms adhere to the political arena interest groups decide to present their policy views: While the backstage – inside lobbying – encompasses "the world of advisory bodies, committees, agencies, and, to some extent, parliamentary committees" and "is not or only partly visible to a larger audience" (Beyers, 2008, p. 1189), the front stage (outside lobbying) is, at least potentially, exposed to a more general public and subject to media scrutiny. In contexts, where communication – mediated or in the mass media, respectively – is of growing importance, as suggested by the concept of Mediatization (see, for example, Mazzoleni & Schulz, 1999), outside lobbying should be adequately integrated in the analysis of strategies implemented by interest groups. While interest group approaches have tended to focus more on inside lobbying strategies (Beyers, 2008, p. 1188-1189), recent publications have taken the importance attributed to media-related aspects of the topic into account (see, for example, Binderkrantz, 2012). Is thus the aim of this paper to add to the discussion about which factors are important in determining a political interest group's strategy, covering aspects commonly associated with inside, as well as with outside lobbying. In doing so, we present evidence from Germany and Switzerland, to shed some more light on the ongoing discussion about the role of (financial) resources in explaining the tactics employed by political interest groups (Dür & Mateo, 2012; 2013). In line with McKay (2012), we wish to help in shaping a more "nuanced approach" (McKay, 2012, p. 908) of the role and effects of money in policymaking.

The remainder of this paper is organized as follows. In the next section, we briefly present our research questions, before turning to the empirical analysis, to which the main part of this paper dedicated. We present and derive the corresponding hypotheses in section 3. Section 4 describes the operationalization of the models we used, while section 5 contains the results of our empirical analysis. We conclude with a discussion of the empirical results in section 6.

Research Questions

In this paper, we aim to investigate the factors which can help to explain the importance attributed to different strategies of political interest groups in Germany and Switzerland. Our main research question to be investigated is thus:

Research Question: Which factors determine the importance of inside and outside lobbying for political interest groups in Germany and Switzerland?

Hypotheses:

First, we focus on the material endowment of an organization. We expect financial resources to have an impact on both inside and outside lobbying tactics. Schlozman and Tierney (1986, p. 161) note that "the [perhaps] most important factor affecting an organization's strategic choice of lobbying techniques is its resources". The higher the spending power of organizations, the more they are able to invest in expensive inside and outside lobbying tactics, and the better they are able to diversify their tactics. In particular, inside lobbying strategies are seen as very costly and therefore reserved for resource rich groups, while outside lobbying is sometimes regarded as a strategy for the weak (Grant 2000). Therefore, pressure groups with bigger budgets are expected to exhibit a higher usage of inside lobbying tactics than their less well endowed peers. However, this is not to say that more resources not also increase outside lobbying, e.g. a wealthy and big pressure group is likely to have a closer relationship with the media than small, relatively poor groups. This point has been made by Thrall (2006), who notes that an organization's resource endowment is the single most important determinant of its ability to influence the media, and thus to employ outside lobbying strategies successfully. For our purpose, we hypothesize that outside lobbying is positively influenced by an organization's resource wealth as well, which is also in line with Mahoney's (2008, p. 43) expectation that "financial resources tend to highly

correlate with […] the number of inside lobbying tactics an organization employs [and] the level of outside lobbying". However, following Dür and Mateo (2013), we expect the effect to be stronger for inside lobbying tactics.

H1: Resource rich interest groups are expected use both inside and outside lobbying tactics more extensively than less well endowed organizations.

The membership base is an important resource for interest groups and influences which lobbying tactics organizations employ. For example, Thrall (2006) shows empirically, that groups with more members use outside lobbying strategies more frequently. And Schlozman and Tierney (1986) state that "the size […] of an organization's membership may also dictate its choice of lobbying techniques; if there are many members spread throughout most congressional districts, and if the organization has the means to mobilize them, a campaign of grass roots pressure may be an option". Such a mobilization of the public, however, is not only possible directly via the members of the organization. Another possibility is to raise awareness for an issue in the public via the news media. But even in such cases, an organization with broad membership has more ways to bring their concerns to the attention of the press, and an easier time to keep the debate alive than small or memberless organizations. (Mahoney, 2008, p. 152). We therefore expect outside lobbying to be employed more frequently as groups increase in size.

Individual membership, however, is not the only form of membership possible in many pressure groups. Often, firms or other organizations are invited to become members, and for 452 organizations in our dataset this is the only possible form of membership. We believe that this form of membership evokes a different kind of lobbying behavior, namely one more focused on insider tactics. We assume that groups with firms or other organizations as members are more likely to be firmly established in the political system, with a central and prominent role close to political decision-makers (political "insiders"). These types of organizations could employ both inside and outside lobbying strategies, as they are likely to have the financial resources to do so, but in line with Dür and Mateo (2013, p. 663), we believe that they will prefer inside lobbying over media-related tactics, as it is seen as more effective. As these groups have privileged access to political decision-makers, they do not see the necessity to expose themselves more publicly. Even if a political interest group with a large number of organizational

members is active in a political sector, where we hypothesize that outside lobbying is important, like in environmental politics, for example, it will be more dependent on inside than outside lobbying. Hence we expect a positive relationship between the number of organizational members a specific group has and inside lobbying. Groups with organizational members are also likely to have fewer members, in sheer numbers, than groups with individual members. The fewer members a group has, the less problems with collective action it should potentially face. Dür and Mateo point out that "groups struggling with collective action problems will always have an incentive to engage in outside lobbying" (2013, p. 664). Conversely, this could mean that groups with other organizations as members do have fewer incentives to use outside tactics and should instead rely more heavily on inside lobbying. Furthermore, group members have their very own agendas clearly laid out, and groups generally are much better connected than individuals, which will help organizations they are members of to get access to decision makers.

H2a: The more individual members an interest group has, the more it will rely on outside lobbying.
H2b: The more group members (corporations, other organizations) an interest group has, the more it will rely on inside lobbying.

Next, we turn to the level of competition an organization faces within the policy field it is active in. In other words, with how many other interest groups in the policy field has an organization to compete for attention of policy makers and the public? Pressure groups have to consider the positions and counter-lobbying strategies of their opponents, when deciding on their own lobbying tactics (Salisbury, 1990).
Heclo (1978) observes that a groups working on the same policy issues usually have different opinions on how the policy should be resolved. Many groups, and thus many conflicting opinions and positions, in one policy area are therefore an indication that the level of competition in this particular policy field is high. In such circumstances, one group's benefit (i.e. enforcing its policy preference) would be another group's loss. When adversarial interests threaten the welfare of groups in this manner, they respond by lobbying the government more intensely (Holyoke, 2009). Thus, we expect groups active in highly contested areas to increase their use of inside lobbying strategies, as they react to, but also anticipate, their opponents' lobbying strategies.

This increased use of inside lobbying tactics when competition is high, however, does not preclude the use of outside lobbying. On the contrary, highly contested issues are very likely to go public, first of all because "a high-profile area […] is unlikely to be resolved without wide participation and parliamentary legitimation" (Jordan and Richardson, 1987, p. 21). The second reason why high-conflict issues go public is that some organizations involved might find it advantageous to bring the debate into the public domain (Mahoney, 2008). This, in turn, will force opposing organizations to expand their use of outside lobbying tactics as well. Organizations in little contested issue areas often have close ties to governments and bureaucracies. Hence their incentives to influence public opinion and to discuss their interests publicly are weak (Grant, 2000, p. 192-193).

H3: Interest groups active in more contested issue areas employ inside and outside lobbying tactics more heavily than groups in less competitive areas.

Different types of interest groups pursue different lobbying strategies to influence public policy. For some groups direct access to politicians (inside lobbying) is most relevant for achieving their goals, while other groups apply outside lobbying tactics and appeal to the public to put pressure on policy makers (Scholzman & Tierney 1986;; Bindenkrantz 2008). In the literature groups are often classified as falling into the following categories: citizen groups, foundations, professional associations, and business associations (Mahoney, 2008; Dür & Mateo, 2013). The expectations are that citizens groups (and foundations) use outside lobbying strategies more extensively than groups in the other categories, while business organization rely more heavily on inside lobbying tactics.

We use a somewhat different categorization of interest groups and distinguish groups according to the policy area they are mostly concerned with. More specifically, we differentiate between business/economic interest groups, environmental interest groups, and the groups predominantly active in other political sectors. Broadly speaking, our first category, business and economic interest groups, corresponds to the business organizations used in other studies. We expect these groups to pursue the economic interests of their members only, and therefore to rely more on inside lobbying tactics than the other groups. On the other side of the spectrum are environmental interest groups, who we consider to come closest to the category citizens groups used by other

researchers. Environmental interest groups usually pursue goals they believe are favorable for the general public, hence we expect them to pursue outside lobbying strategies more often than lobbying organizations in the other categories.

H4: Business groups use inside lobbying strategies, and environmental interest groups pursue outside lobbying tactics more intensely than other lobby organizations.

Operationalization of the model:

To obtain data on lobbying behavior, we carried out surveys among interest groups in Switzerland and Germany. First, we compiled a list of pressure groups from both countries following the method suggested by Wonka et. al. (2010). We systematically screened the existing registries for Switzerland and Germany for politically active interest groups. The different registries were then merged and duplicate entries deleted. In this coding process, we include the main level of the political activity, the location of the central office, the Internet and E-mail addresses of the organizations and, where possible, of the organization's communication department. These email addresses were used as the mail out database for our online questionnaire. Data collection started in early 2011 in Switzerland and in spring 2011 in Germany, respectively. The response rate was 40% for Switzerland (Completed questionnaires from 985 of the 2475 organisations the questionnaire was mailed to) and 23% for Germany (Completed questionnaires from 1246 of the 5422 organisations the questionnaire was mailed to). However, many organizations did not complete the questionnaire, or left important information blank. Thus, for the models in this paper we are left with a dataset of 673 Swiss and 574 German organizations who provided all the necessary information. All data used in this paper, further described below, are derived from this survey dataset.

Dependent Variable:

The dependent variables of this study are derived from lobbying strategies of Swiss and German interest groups. These groups were asked to indicate how important different addressees of communication and lobbying are for their organization. Survey participants had to indicate the importance of the following seven target audiences:

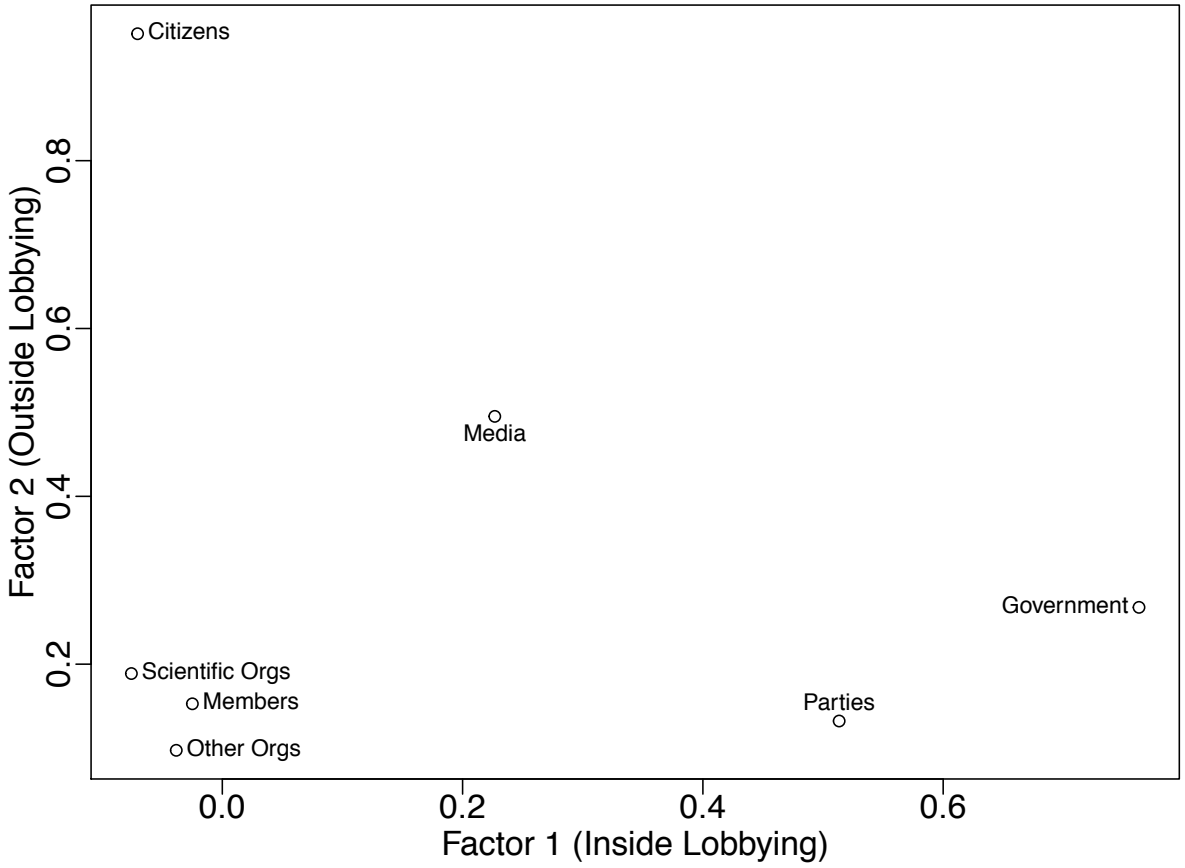
government and administration, political parties, news media, citizens/the public, members of the organization, other interest groups, and scientific organizations. In each case the respondents assigned values between 1 (not important) to 5 (highly important). (Bayesian) Factor analysis reveals that underlying our seven variables are fewer dimensions of communications. According to the scree test, two factors should be retrieved from the data. These factors seem to capture the standard typology often used in the literature, i.e. inside lobbying versus outside lobbying. The variables Political Parties and Government load highly on the first factor (inside lobbying), while Members, Media, Citizens, and Interest Organizations exhibit high loadings for the second factor (outside lobbying).

There are, however, reasons not to simply obtain the factor scores for these two factors and use them as dependent variables. First, Media and Government load relatively high on both factors, hence there seems to be some overlap between the two dimensions. Second, the Kaiser criterion indicates that three factors are required. Indeed, when repeating the analysis with three factors, the pattern becomes clearer (see Figure 1). Again, Parties (0.513) and Government (0.763) load highly on the first factor (inside lobbying), while all other variables have low to very low factor loadings for inside strategies. The second factor (outside lobbying) is now mainly composed of Citizens (0.951) and Media (0.495). The third dimension instead consists mainly of Members (0.435) and Other Organizations (0.681). This last factor is therefore less a lobbying strategy than a form of communication with members and other pressure groups in the relevant field, a channel of information and of internal and external debate, and will not be analyzed further in this paper.

Due to the clearer distinction between inside and outside lobbying we opt for the three-dimensional factor analysis, but only use the variables representing the first two factors as dependent variables. We do not retrieve the factors and apply them as dependent variables, for the simple reason that the p-value from the factor analysis is too low to lend credence to the derived factors. Thus, the factor analysis mostly confirms the theoretical assumption that communication with governments and political parties should fall into the inside lobbying category, while media communication and direct contact with citizens are outside lobbying tactics. Yet for the statistical analysis we prefer to retain the original variables, as we believe they are more reliable due to the low p-value of the factor analysis mentioned above. Thus, we have four dependent

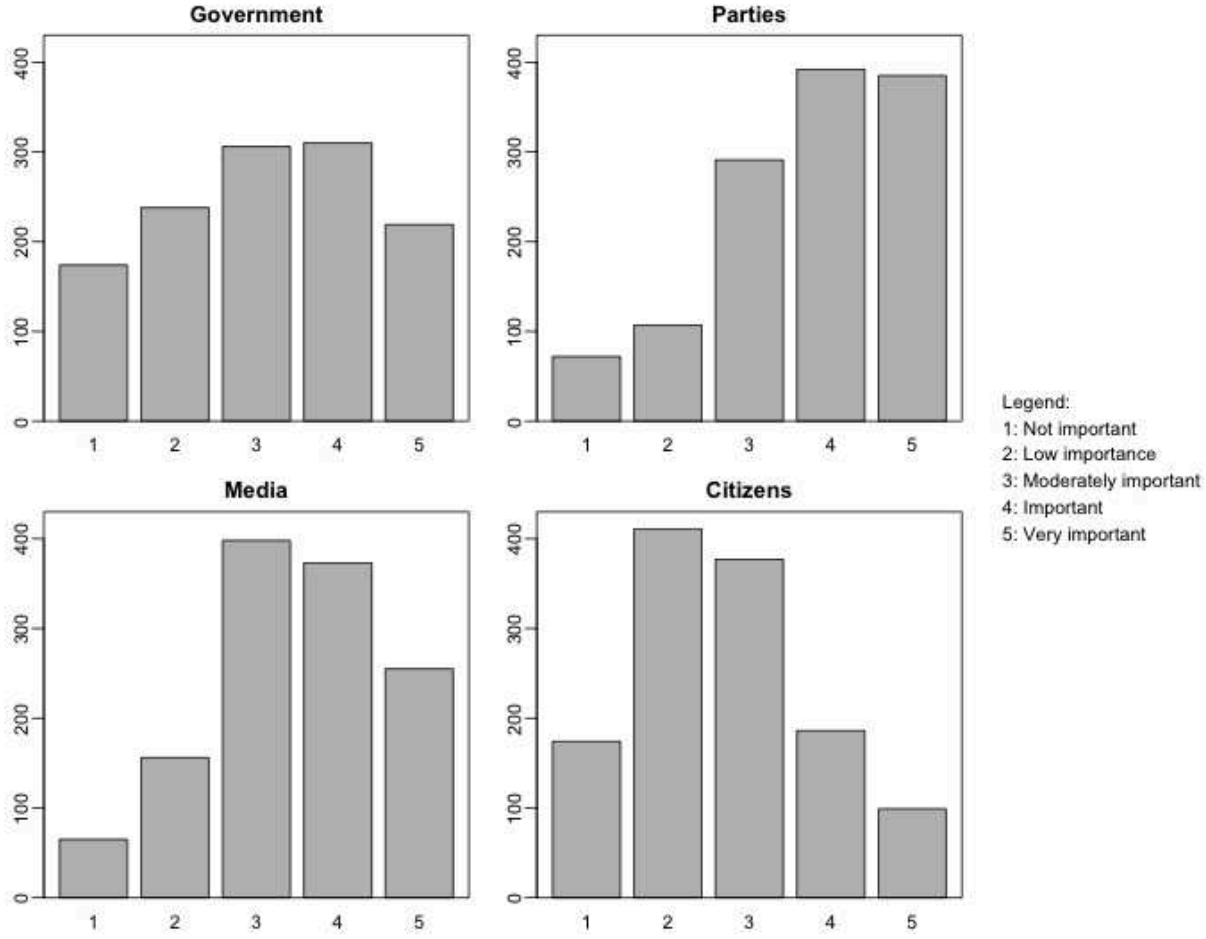
variables, two for inside lobbying (Government and Parties) and two for outside lobbying (Citizens and Media), to test the four hypotheses described above.

Figure 1: (Bayesian) Factor loadings for inside and outside lobbying



All four dependent variables (illustrated in Figure 2) have the same basic data structure, i.e. they are divided into five categories, where a value of 1 indicates the lowest and 5 the highest importance. As can be seen from the figure, directly lobbying the government has the most equal distribution among the four dependent variables. Both extreme categories were named frequently by survey respondents, and the distribution is only slighly skewed. Outside lobbying via the media, and particularly directly lobbying political parties are instead quite heavily skewed to the right, as the lower two categories are not mentioned as frequently as the higher ones. Finally, directly lobbying citizens is skewed somewhat to the left, which is an indication that this outside lobbying tactic is not as important to the average interest organization in Germany and Switzerland as the other strategies.

Figure 2: The four dependent variables



We also find that the four lobbying tactics in question are used by different groups to a different degree. In other words, one strategy being important for an organization does not necessarily denote that the other strategies are important to that pressure groups as well (hence respondents did not simply press the same button repeatedly). The correlation table (Table 1) shows that, as should be expected, the two inside strategies exhibit relatively high correlation. All the other pairs display only medium to low correlations, with the two outside lobbying tactics showing the second strongest of all pairs, but also only at 0.44.

Table 1: Correlation table of the four dependent variables

	Government	Parties	Media	Citizens
Government	1	0.589	0.417	0.299
Parties	0.589	1	0.291	0.156
Media	0.417	0.291	1	0.440
Citizens	0.299	0.156	0.440	1

Independent variables:

Budget: Respondents to our survey also provided the annual budget of their organizations. This variable is our greatest concern in so far, as we have the largest number of missing values here as 912 of the participants decided not to respond to this question (only about 300 organizations did not reply to any of the other questions relevant for this paper). Thus, the question arises whether we are at risk of introducing a systematic bias into our analysis by simply excluding these 912 organizations from our dataset. As a first check, we compare the distributions of the four dependent variables for those observations in the dataset, and for those who were excluded (Table 2). The excluded groups tend to fall into higher categories in all four cases (although this observation is quite weak in the citizens case). As we find that richer, better-organized groups generally tend to attach higher importance to all four target audiences of lobbying (see results section below), this could be an indication of a systematic bias. As a consequence, we repeat the analysis discussed below but exclude the variable budget (thus reintroducing 648 observations into the models), and find that almost all of our non-budget results are corroborated (see Appendix X for the results). Because of the heavily skewed distribution of the variable budget, we decided to use the logarithm in the models.

Table 2: Distribution of included and excluded observations for the dependent variables

		No importance	Low importance	Medium importance	High importance	Very high importance
Government	in dataset	5.77%	8.58%	23.34%	31.44%	30.87%
	excluded	7.02%	7.86%	18.87%	30.19%	36.06%
Parties	in dataset	13.95%	19.09%	24.54%	24.86%	17.56%
	excluded	12.79%	16.46%	20.44%	26.83%	23.48%
Media	in dataset	5.21%	12.51%	31.92%	29.91%	20.45%
	excluded	4.93%	8.28%	26.31%	34.49%	26.00%
Citizens	in dataset	13.95%	32.96%	30.23%	14.92%	7.94%
	excluded	11.53%	27.78%	34.17%	18.34%	8.18%

Membership: We divide membership into two categories. First, the number of individual persons is coded as individual membership, and second, group membership consists of other organizations and enterprises. The maximum individual membership in the dataset is 2,700,000, while the highest number of group members is 650,000. 113

organizations in the dataset do not have any members. Again, we take the logarithm of both variables for our models.

Political Competition: We asked organizations to assess the intensity of the political competition among interest groups in their field of activity. The five possible categories organizations could chose from were very weak (=1), weak (=2), moderate (=3), strong (=4), and very strong (=5). Political competition is included into the model as a categorical variable, thus we obtain separate estimates for the categories compared to the lowest one.

Groups: Respondents to the online survey were asked to define in which field their organizations mostly conduct work. 393 of the organization in the dataset chose the label "Business and Economic", 67 are environmental organizations, and 787 fall into other categories. In Switzerland, 237 organizations fall into the business category (35.2% of Swiss groups in the dataset), while in Germany this number is 156 (27.1%). There are 38 and 29 environmental groups in Switzerland and Germany respectively, or about 5% in each country. Finally, 398 groups in Switzerland and 389 in Germany represent neither business interests nor environmental concerns, and thus fall into the "Others" category.

Country: Finally, we include a country dummy into the model to account for systematic differences between Germany and Switzerland. As indicated, we have 673 Swiss and 574 German interest groups in the final dataset. Table 3 below provides descriptive statistics for the dependent and independent variables (not Country and Group, as these categorical variables are sufficiently described in the text).

Table 3: Descriptive statistics of the dependent and independent variables

Variable name	Obs.	Mean	s.d.	Min.	Max
Government (importance)	1247	3.73	1.16	1	5
Parties (importance)	1247	3.13	1.30	1	5
Media (importance)	1247	2.70	1.12	1	5
Citizens (importance)	1247	3.48	1.11	1	5
Budget (log)	1247	12.36	2.15	6.91	20.50
Individual members (log)	1247	3.90	3.51	0	13.38
Group members (log)	1247	2.47	2.59	0	15.53
Political competition	1247	2.64	0.96	1	5

Discussion of Results:

In this section we discuss the results from our analysis for the four hypotheses described above. Table 4 summarized the statistical findings and will repeatedly be referred to in the following discussion.

Resources:

Both inside and outside lobbying tactics are costly, hence our expectation that rich organizations use both tactics more often than poorer ones can effort to do. Figure 3 shows the results in a descriptive, trivariate manner. Interest groups are divided into categories, from the poorest on the left to the richest on the right hand side of the sub-graphs. The figures show the mean importance of lobbying targets for all groups in the thus formed categories, but also when subdivided into business, environmental, and other organizations.

As expected, resource wealth has a distinct impact on their lobbying behavior. As can clearly be seen from Figure 3 the mean importance of lobbying the government, political parties, and the public (citizens) clearly increases, as organizations grow wealthier. This seems to be true overall, but also for the three sub-groups of organizations. The one exception appears to be directly lobbying citizens, which seems to be almost flat except from a spike to the very right for the richest organizations (yet there are only very few organizations in these richest categories).

The statistical models corroborate these findings derived from descriptive statistics. The variable Budget, capturing the annual income of an organization, is indeed highly significant (at the 0.1% level) for both inside lobbying tactics as well as for the outside lobbying tactic of targeting the media. Addressing citizens, on the other hand, is only significant at the 5% level and has a much smaller effect, indicating that a higher budget effects targeting citizens directly much less than our other dependent variables.

The explanation for this result might be that communication with citizens is relatively complicated even for rich organizations. Through a series of interviews with Swiss interest groups we know that reaching to citizens directly is not as common as other forms of lobbying (see also the left-hand panel of Figure 1), as it is much easier to directly appeal to policy makers or the media. Reaching out to citizens is not only costly, but also the effects are uncertain. We suspect this general weariness of communicating with citizens to be the reason why higher budgets do relatively little in terms of increasing lobbying efforts towards citizens. Additionally, as we see in table 2, citizens

generally tend to be of rather low importance in the communication of interest groups. As interest groups do not compete in elections, they do not need the support of citizens as much as political parties might do. For interest groups, the support from their members and their respective constituencies seems to be more important. This could further explain why even rich organizations do not rely as heavily on communication with citizens as we might expect.

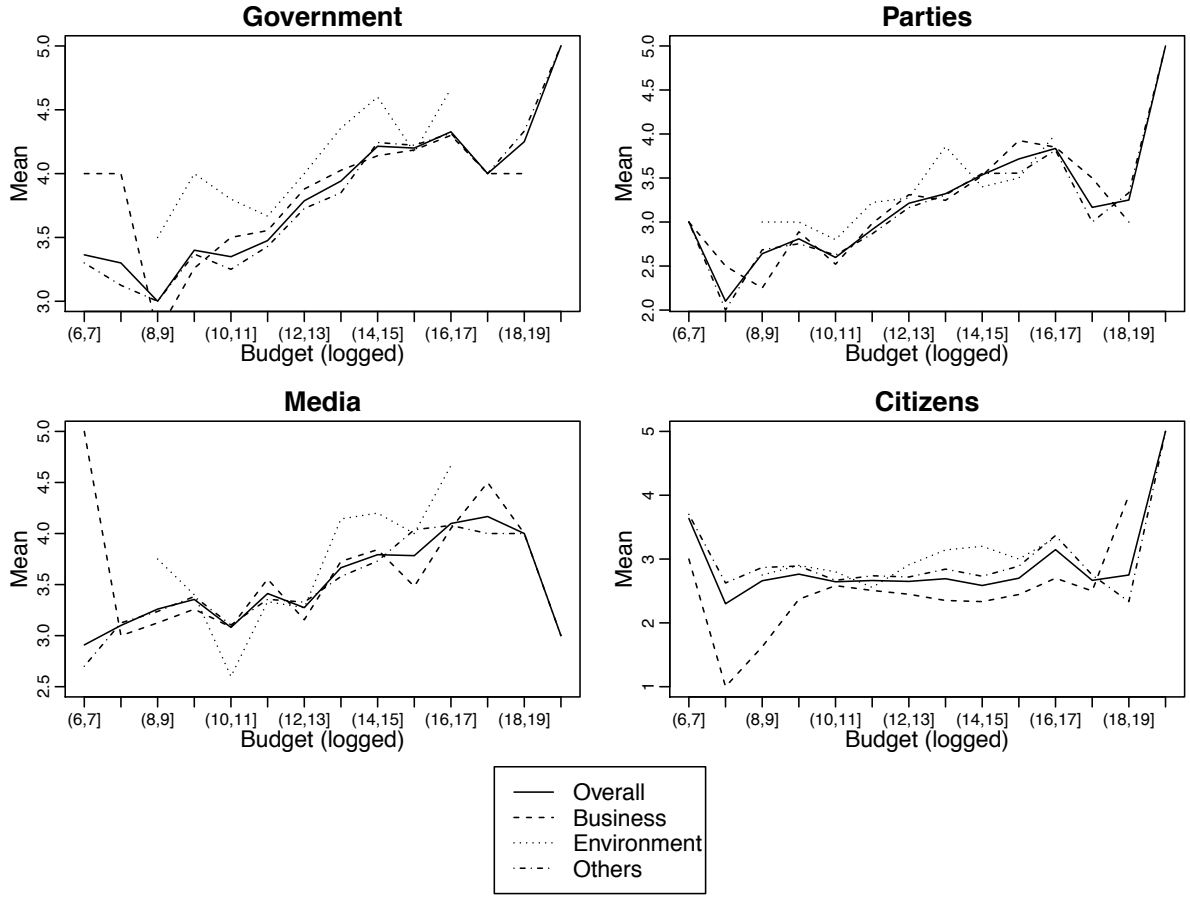
Table 4: Results from the Ordered Logit Models:

	Inside Lobbying		Outside Lobbying	
	Government	Parties	Media	Citizens
Environmental groups	0.49*	0.11	0.25	0.73**
	(0.25)	(0.25)	(0.25)	(0.23)
Other groups	−0.04	0.00	−0.02	0.63***
	(0.12)	(0.11)	(0.11)	(0.12)
Budget	0.24***	0.20***	0.18***	0.07*
	(0.03)	(0.03)	(0.03)	(0.04)
Indiv. members	−0.06***	−0.01	0.02	0.03*
	(0.02)	(0.02)	(0.02)	(0.01)
Corp. members	0.01	0.05*	−0.01	−0.02
	(0.02)	(0.02)	(0.02)	(0.02)
Competition (Low)	0.25	0.48**	0.08	0.19
	(0.18)	(0.18)	(0.18)	(0.18)
Competition (Medium)	1.00***	1.34***	0.44*	0.43*
	(0.19)	(0.19)	(0.18)	(0.18)
Competition (High)	1.33***	1.67***	0.65**	0.61**
	(0.22)	(0.22)	(0.21)	(0.21)
Competition (Very high)	1.47***	2.48***	0.79*	1.19***
	(0.36)	(0.38)	(0.36)	(0.36)
Country dummy (D=1)	0.30**	0.75***	0.58***	0.40***
	(0.11)	(0.10)	(0.11)	(0.10)
1—2	0.52	1.77***	−0.23	−0.72***
	(0.37)	(0.35)	(0.37)	(0.21)
2—3	1.58***	3.04***	1.18***	1.06***
	(0.36)	(0.36)	(0.36)	(0.21)
3—4	3.02***	4.23***	2.80***	2.46***
	(0.37)	(0.37)	(0.36)	(0.22)
4—5	4.53***	5.67***	4.26***	3.74***
	(0.38)	(0.38)	(0.37)	(0.24)
AIC	3383.81	3700.33	3561.93	3647.35
BIC	3455.60	3772.12	3633.72	3719.14
Log Likelihood	−1677.90	−1836.17	−1766.97	−1809.68
Num. obs.	1246	1246	1246	1246

$^{***}p < 0.001$, $^{**}p < 0.01$, $^{*}p < 0.05$, $^{\dagger}p < 0.1$

Standard errors in parentheses

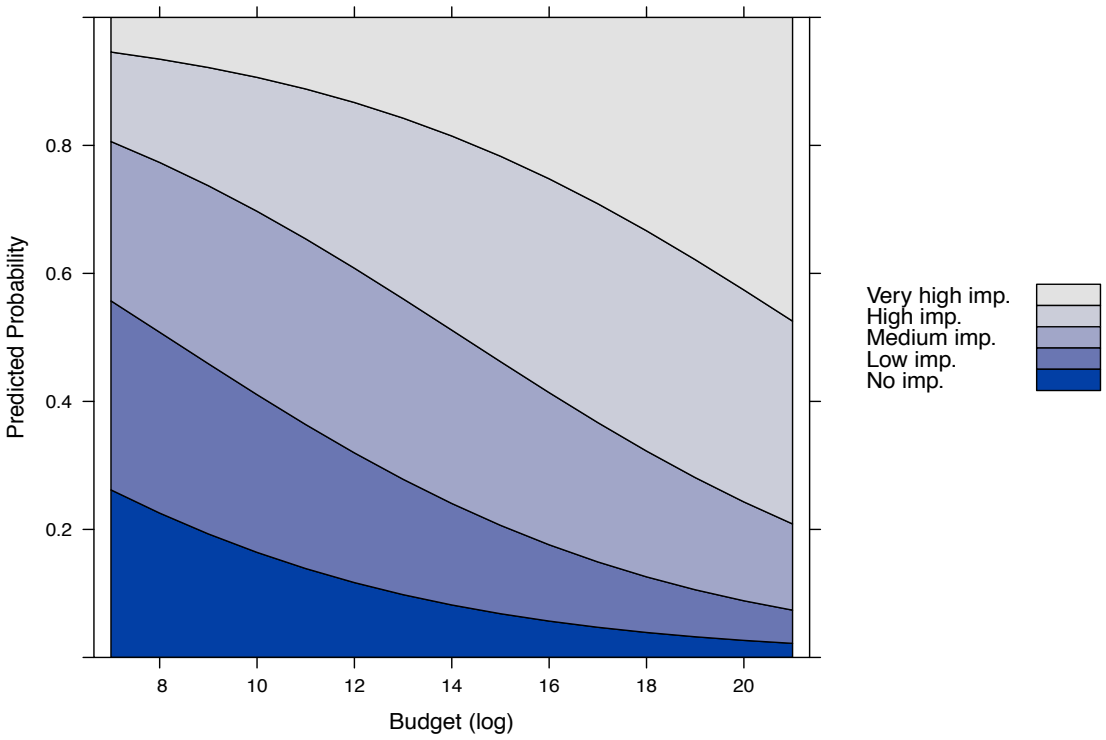
Figure 3: Effects of resource wealth on lobbying strategies



Finally, Figure 4 shows the effect an increased budget has on the importance of lobbying the government (the graphs for lobbying parties and the media look quite similar). As can be seen, the predicted probability of poor groups to assign high importance to directly lobbying the government is quite low (less than 10%), while more than 50% of pressure groups with low budget are predicted to fall into the two lowest categories. This changes dramatically as organizations grow richer. When the annual budget is 3 million Euros or above (around 15 on the logged scale), the model predicts that around 50% of the organizations fall into the highest two categories. Indeed, the model is quite accurate in this respect and reflects the data well. For organizations with a budget smaller than ten on our scale, we find that 19.9% are in the no, 24.3% in the low, 28.2% in the medium, 17.8% in the high, and only 9.9% in the very high importance group. For rich groups (budget greater than 15), these numbers are (in the same order as above) 0.6%, 15.9%, 24.8%, 29.0, and 29.7% respectively. This pattern is nicely reflected in Figure 4, hence the model is a good fit for the data. Another way of looking at this is the predictions the model makes for the observations. 501 of the 1246 observations are

correctly predicted and 499 are only one off by one category. Thus, only 246 observations are wrongly predicted by more than one category, less than 20% of all observations. Overall, the model seems to capture the structure of the data well, and we can conclude that hypothesis 1 is substantiated.

Figure 4: Predicted effect of an organization's on the probability on lobbying the government



Membership:

We divided membership into two types: individual membership and group membership. Increased individual membership, expected to cause outside lobbying to grow in importance, does indeed display the expected (positive and significant) effect for addressing journalists. However, for directly addressing citizens, no significant effect is observed (see Table 4). In addition, the effect individual membership has on lobbying the media is relatively small. The chances of falling into a higher category increase only by about 3.5% when individual membership is increased by one (in the logged form). In other words, individual membership, although significant, contributes relatively little to how much importance organizations attach to communicate with citizens.

Interestingly, individual membership exhibits a negative and highly significant effect for lobbying the government. This indicates that, as more people join an organization, it

relies more on pressuring the government indirectly via the possibility of activating their members and less by directly trying to influence governmental decisions. The effect is not too large, but at around 7% (for a one point increase in membership) twice as strong as the effect towards lobbying media organizations and journalists. We do not find significant effects for lobbying political parties and citizens. Thus, hypothesis 2a is only partially substantiated.

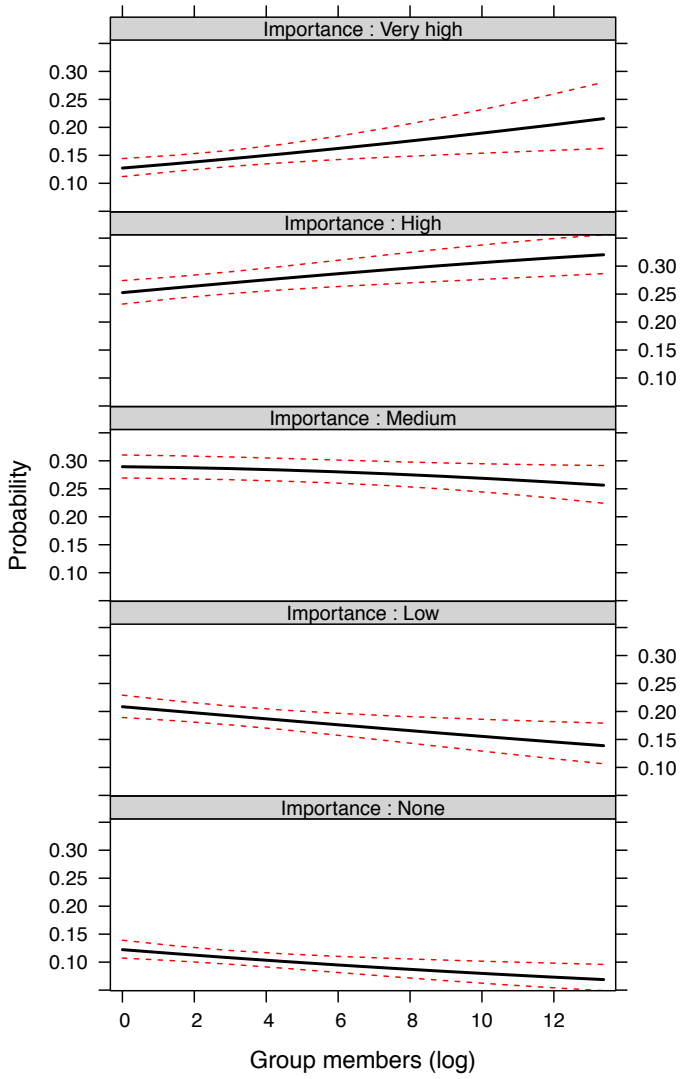
Higher group membership increases, as hypothesized, organizations' effort to directly lobby political parties. Again, the effect is significant, but relatively small, i.e. the distribution of organizations among the 5 categories of importance does not change dramatically as group membership increases (see Figure 5). We do not find a significant effect for lobbying the government as group membership increases. However, this effect is the one that exhibits the most notable change when we drop the variable budget and thus increase the sample size by around 650 observations. Firstly, the size of the effect more than doubles for lobbying political parties, and secondly, the effect is highly significant for lobbying the government as well (see Appendix 1). The correlation between an organization's budget and group membership in the dataset is only 0.199. Hence we believe that group membership only partly picks up the variation otherwise explained by budget, when the latter is omitted from the model. Instead, it seems that the added observations systematically change the model for group membership, yet not for the other variables in the model. Overall, we conclude that hypothesis 2b is supported, although with the caveat that for lobbying the government the increased sample size is needed to reveal the hypothesized effect.

Level of competition:

Next we turn to hypothesis 4 and the level of competition interest groups face. First, note that for all four lobbying targets the important increases for every increase in intensity of the competition. In other words, we obtain separate estimates for every category of competition and find groups facing the highest competition are also estimated to attach the highest importance to all lobbying targets. Next in line are the groups facing high competition, followed by medium competition, while low and very low competition groups attach least importance to all targets of lobbying (see Table 4). However, not all levels of competition are always significantly different from each other, e.g. the lowest two classes only significantly change lobbying importance for political parties. In general, the very low and low competition categories (Government, Media,

and Citizens), and also the high and very high categories (Government, Media) show some overlap and are not significantly discernable from each other. For addressing the media, the medium and high competition categories do not significantly change the lobbying behavior according to the models. Yet in general, as the competition increases, all four targets of lobbying are more important for the average pressure group.

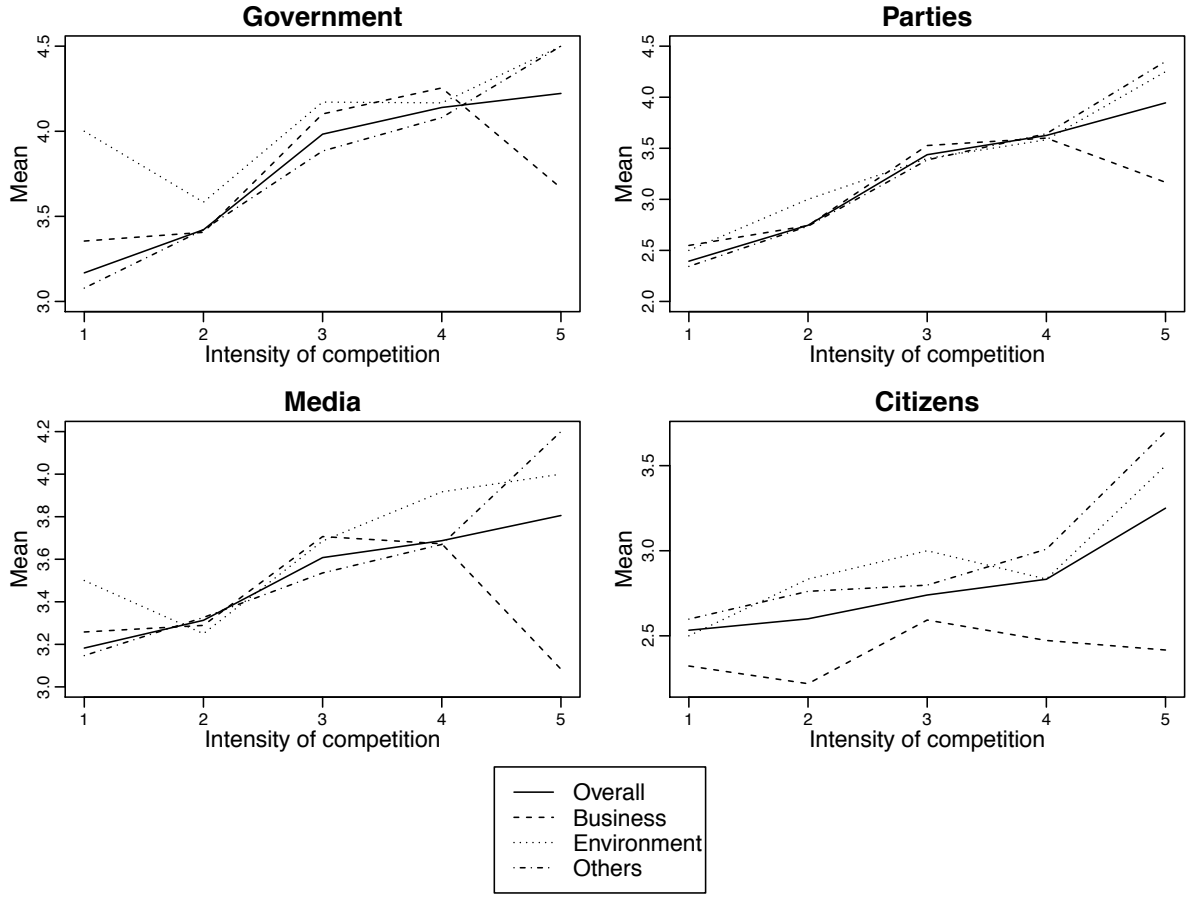
Figure 5: Effect of corporate membership on lobbying political parties



This can also be seen in Figure 6, which depicts the mean importance of the four lobbying targets for groups at the five different intensities of competition (again, the lines show the mean in the overall sample, but also when subdivided into the three categories business, environment, and others). The curves are steepest (and the estimates largest) for lobbying the government and political parties, meaning that inside

lobbying is more strongly effected by competition than outside lobbying. However, the effects are clearly present and significant in all four models, hence hypothesis 4 is substantiated.

Figure 6: Effects of intensity of competition on lobbying strategies



Groups

We now turn to our last hypothesis about the different types of groups last, and in doing so we draw on some of the previous figures in the discussion. First, however, note that for political parties and the media we do not find a significant difference in the lobbying behavior of the three types of groups, i.e. business, environmental, and other lobby organizations. Yet we also see that business groups attribute much less importance to addressing citizens directly than the other two group types, a clear indication that business prefers others ways for achieving their goals than talking to the public, e.g. by trying to directly influence policy makers. This can be seen in the citizens graph (lower left hand panel) of Figures 4 and 6, where the line representing business groups is clearly lower than those of the other group types.

Surprisingly, environmental groups tend to tend to use inside lobbying strategies – particular lobbying the government – more heavily than the other two. This can nicely be seen in Figures 4 and 6. For political parties and the media, the lines for the three group types tend to follow the overall trend. In the government graphs (top-left figures), on the other hand, the line representing environmental groups floats above the other lines over most of the plotting range. Overall, these findings are not very strong (and not always have the expected directions). Our hypothesis 4 must therefore be rejected.

Conclusions

In this paper, we examine the lobbying strategies of Swiss and German interest groups, and in particular we investigated which characteristics induce organizations to intensify their use of inside and outside lobbying tactics. We contribute to the literature one the one hand by more thoroughly analyzing a dataset on German and Swiss interest groups introduced earlier (ECPR General Conference, Reykjavik, 2011), but also by applying new modeling techniques (ordered logit models) so far not used in lobbying strategy research.

We find strong evidence that resource wealth (the budget) of an organization strongly influences the lobbying behavior of organization. Richer groups are able to spend more on both inside and outside lobbying, and our models suggest that this is exactly what they do, as both tactics grow in importance, as organizations get wealthier, yet as expected, the effect is stronger for inside lobbying. The implication is that, although inside and outside lobbying tactics are used more frequently by richer organizations, the preference of groups is to directly lobby decision makers when they have enough money at hand to do so.

We also observe that groups facing more competition from other organizations are more active regarding both inside and outside lobbying. The higher the competition in the field of activity, the more organizations apply both strategies, yet again this effect is stronger for inside lobbying. For the impact membership (both of individuals and of other organizations), on the other hand, the evidence provided by our models in favor of our hypotheses is relatively weak. We therefore conclude that group behavior is indeed not the same when in comes to political lobbying, and that their choice of lobbying strategy depends heavily on characteristics such as resource wealth and the level of political competition in their field.

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Annex 1: The models without budget (N increases by ~650)

	Inside Lobbying		Outside Lobbying	
	Government	Parties	Media	Citizens
Environmental groups	0.18	−0.17	0.03	0.72***
	(0.21)	(0.21)	(0.21)	(0.20)
Other groups	−0.22*	−0.16†	−0.25**	0.52***
	(0.09)	(0.09)	(0.09)	(0.09)
Indiv. members	−0.06***	−0.01	0.01	0.04***
	(0.01)	(0.01)	(0.01)	(0.01)
Corp. members	0.07***	0.10***	0.03†	0.00
	(0.02)	(0.02)	(0.02)	(0.02)
Competition (Low)	0.34*	0.51***	0.16	0.11
	(0.15)	(0.15)	(0.15)	(0.15)
Competition (Medium)	1.15***	1.35***	0.58***	0.38*
	(0.15)	(0.15)	(0.15)	(0.15)
Competition (High)	1.45***	1.66***	0.87***	0.56**
	(0.18)	(0.18)	(0.17)	(0.17)
Competition (Very high)	1.51***	2.26***	1.11***	0.95***
	(0.28)	(0.29)	(0.28)	(0.27)
Country dummy (D=1)	0.38***	0.72***	0.59***	0.36***
	(0.08)	(0.08)	(0.08)	(0.08)
1—2	−2.13***	−0.59***	−2.40***	−1.00***
	(0.18)	(0.17)	(0.19)	(0.17)
2—3	−1.12***	0.62***	−1.03***	0.76***
	(0.17)	(0.17)	(0.17)	(0.17)
3—4	0.19	1.70***	0.56***	2.22***
	(0.16)	(0.17)	(0.17)	(0.17)
4—5	1.62***	3.08***	2.01***	3.55***
	(0.17)	(0.18)	(0.17)	(0.19)
AIC	5209.51	5712.28	5386.59	5539.65
BIC	5281.62	5784.38	5458.70	5611.76
Log Likelihood	−2591.76	−2843.14	−2680.30	−2756.83
Num. obs.	1894	1894	1894	1894

$^{***}p < 0.001$, $^{**}p < 0.01$, $^{*}p < 0.05$, $^{\dagger}p < 0.1$

Standard errors in parentheses